



February 22, 2005

## HOUSE BILL No. 1218

DIGEST OF HB 1218 (Updated February 16, 2005 8:01 pm - DI 73)

**Citations Affected:** IC 3-5; IC 3-8; IC 3-13; IC 5-1; IC 5-11; IC 6-1.1; IC 7.1-3; IC 8-1.5; IC 8-22; IC 9-22; IC 10-18; IC 11-13; IC 32-21; IC 32-24; IC 33-35; IC 36-1; IC 36-2; IC 36-4; IC 36-5; IC 36-8.

**Synopsis:** Local government matters. Allows a third class city that adopts second class city status to elect a city clerk-treasurer instead of electing a city clerk and appointing a city controller. Allows the northwestern Indiana regional planning commission to pay a claim or purchase order without obtaining a vendor's signature. Provides that a claim for reimbursement of mileage, meal, and lodging expenses to attend a state board of accounts conference may not be denied if the claim meets statutory requirements. Allows a municipality to adopt an ordinance providing for meal expense advances for a municipal employee who will be traveling on official municipal business. Increases the maximum term of a loan that a city or town may enter into from five to ten years. Provides that in the year in which a newly elected county officer takes office, the county fiscal body may change the compensation for holding the county office if: (1) the county officer requests the compensation change or, in the case of the county executive body, a majority of the county executive body requests the change; and (2) the county fiscal body approves the change. Provides that for purposes of airport development zones, the "base assessed value" is determined as of the assessment date immediately preceding the effective date of the initial resolution designating an airport development zone, regardless of the date of the hearing at which the initial resolution is finally approved. Allows the airport authority board to determine the portion of tax proceeds that will be allocated to a debt service fund and dedicated to the payment of principal and interest on bonds of the airport authority. Provides that tax proceeds remaining after the allocation to the debt service fund shall be deposited in a project fund and dedicated to the reimbursement of expenditures made for a qualified airport development project.

**Effective:** January 1, 2005 (retroactive); July 1, 2005.

**Ayres, Stevenson, Hinkle**

January 6, 2005, read first time and referred to Committee on Local Government.  
February 21, 2005, amended, reported — Do Pass.

HB 1218—LS 6967/DI 87+



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February 22, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1218

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 3-5-2-26 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2005]: Sec. 26. "Fiscal officer" means **the:**

3 (1) ~~the~~ city controller **or clerk-treasurer** of a second class city;

4 ~~or~~

5 (2) ~~the~~ clerk-treasurer of a town; or

6 (3) **clerk-treasurer of a** third class city.

7 SECTION 2. IC 3-8-1-28 IS AMENDED TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2005]: Sec. 28. A candidate for the office of  
9 city clerk of a second class city, ~~or city clerk-treasurer of a second~~  
10 **class city, or** city clerk-treasurer of a third class city must have resided  
11 in the city for at least one (1) year before the election.

12 SECTION 3. IC 3-13-8-5 IS AMENDED TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A vacancy in the office of  
14 mayor of a second class city not covered by section 1 of this chapter  
15 shall be filled as follows:

16 (1) If the city has a deputy mayor, the deputy mayor assumes the  
17 office for the remainder of the unexpired term.

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(2) If the city does not have a deputy mayor, the city controller **or city clerk-treasurer** assumes the office for the remainder of the unexpired term.

(3) If the city does not have a deputy mayor and the office of city controller **or city clerk-treasurer** is vacant, the common council shall fill the vacancy at a regular or special meeting.

(b) The city clerk **or president of the common council** shall give notice of the meeting required under subsection (a)(3), which shall be held within thirty (30) days after the vacancy occurs. The notice must:

- (1) be in writing;
- (2) state the purpose of the meeting;
- (3) state the date, time, and place of the meeting; and
- (4) be sent by first class mail to each council member at least ten (10) days before the meeting.

(c) Until the vacancy is filled, the council shall designate one (1) of its members to serve as acting mayor.

SECTION 4. IC 3-13-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) A vacancy in the office of city clerk of a second class city **or city clerk-treasurer of a second class city** not covered by section 1 of this chapter shall be filled by the mayor or acting mayor, subject to the approval of the common council.

(b) The common council shall vote on the question of approving the mayor or acting mayor's appointment at a regular or special meeting. The president of the common council shall give notice of the meeting, which shall be held within thirty (30) days after the appointment is made. The notice must:

- (1) be in writing;
- (2) state the purpose of the meeting;
- (3) state the date, time, and place of the meeting; and
- (4) be sent by first class mail to each council member at least ten (10) days before the meeting.

SECTION 5. IC 3-13-8-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. A vacancy in the common council of a second class city not covered by section 1 of this chapter shall be filled by the remaining members of the council at a regular or special meeting. The city clerk **or city clerk-treasurer** shall give notice of the meeting, which shall be held within thirty (30) days after the vacancy occurs. The notice must:

- (1) be in writing;
- (2) state the purpose of the meeting;
- (3) state the date, time, and place of the meeting; and
- (4) be sent by first class mail to each council member at least ten

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(10) days before the meeting.

SECTION 6. IC 3-13-11-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. In accordance with section 12 of this chapter, if the position of deputy mayor is not established by ordinance in a first class or second class city, the city controller **or city clerk-treasurer** assumes the duties of mayor until the office is filled under this chapter.

SECTION 7. IC 5-1-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The legislative body of any county, second or third class city, or town in which is located one (1) or more participating hospitals, upon request in writing by the board of trustees or other governing board of any such participating hospital, may adopt a resolution for the creation of an authority under this chapter.

(b) Upon the adoption of the resolution, there is created an authority which shall be a body corporate and politic for the purpose of financing, acquiring, constructing, equipping, and leasing a project or projects to participating hospitals located in the county, city, or town or refunding outstanding indebtedness of participating hospitals located in the county, city, or town as authorized by this chapter, or both.

(c) If the authority is created by a resolution of the legislative body of a county, it shall be known as the "Hospital Authority of \_\_\_\_\_ County" (include the name of the county).

(d) If the authority is created by resolution of the legislative body of a second or third class city or town, it shall be known as the "Hospital Authority of \_\_\_\_\_" (include the name of the city or town).

(e) The county auditor, the city clerk, **the city clerk-treasurer**, or the town clerk-treasurer, as the case may be, shall file a certified copy of the resolution with the executive of the county, city, or town, as the case may be, in which the authority is created.

SECTION 8. IC 5-11-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) This section applies to the state and its political subdivisions. However, this section does not apply to the following:

- (1) The state universities.
- (2) Ivy Tech State College.
- (3) A municipality (as defined in IC 36-1-2-11).
- (4) A county.
- (5) An airport authority operating in a consolidated city.
- (6) A capital improvements board of managers operating in a consolidated city.
- (7) A board of directors of a public transportation corporation

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operating in a consolidated city.

(8) A municipal corporation organized under IC 16-22-8-6.

(9) A public library.

(10) A library services authority.

(11) A hospital organized under IC 16-22 or a hospital organized under IC 16-23.

(12) A school corporation (as defined in IC 36-1-2-17).

(13) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(14) A municipally owned utility (as defined in IC 8-1-2-1).

(15) A board of an airport authority under IC 8-22-3.

(16) A conservancy district.

(17) A board of aviation commissioners under IC 8-22-2.

(18) A public transportation corporation under IC 36-9-4.

(19) A commuter transportation district under IC 8-5-15.

(20) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

(21) A county building authority under IC 36-9-13.

(22) A soil and water conservation district established under IC 14-32.

**(23) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.**

(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:

(1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;

(2) a warrant issued by the auditor of state under IC 4-13-2-7(b);

(3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or

(4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

(2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the

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following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

SECTION 9. IC 5-11-10-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.6. (a) As used in this section, "governmental entity" refers to any of the following:

- (1) A municipality (as defined in IC 36-1-2-11).
- (2) A school corporation (as defined in IC 36-1-2-17), including a school extracurricular account.
- (3) A county.
- (4) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).
- (5) A municipally owned utility that is subject to IC 8-1.5-3 or IC 8-1.5-4.
- (6) A board of an airport authority under IC 8-22-3.
- (7) A board of aviation commissioners under IC 8-22-2.
- (8) A conservancy district.
- (9) A public transportation corporation under IC 36-9-4.
- (10) A commuter transportation district under IC 8-5-15.
- (11) The state.
- (12) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).
- (13) A levee authority established under IC 14-27-6.
- (14) A county building authority under IC 36-9-13.
- (15) A soil and water conservation district established under IC 14-32.

**(16) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.**

(b) As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over

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allowance of payment of the claim.

This subsection does not prohibit a school corporation, with prior approval of the board having jurisdiction over allowance of payment of the claim, from making payment in advance of receipt of services as allowed by guidelines developed under IC 20-10.1-25-3. **This subsection does not prohibit a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation.**

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meet all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts.

SECTION 10. IC 5-11-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) As used in this section, "official" includes the following:

- (1) An elected official who is entitled to attend a conference under this section.
- (2) An individual elected to an office who is entitled to attend a conference under this section.
- (3) A deputy or an assistant to an elected official who is entitled to attend a conference under this section.

(b) The state board of accounts shall annually call a conference of each of the following:

- (1) County auditors and auditors elect.
- (2) County treasurers and treasurers elect.
- (3) Circuit court clerks and circuit court clerks elect.

(c) Each of the conferences called under subsection (b):

- (1) must be held at a time and place fixed by the state examiner;
- (2) may be held statewide or by district; and
- (3) may not continue for longer than three (3) days in any one (1) year.

(d) The following training must be provided at each conference

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called under subsection (b):

(1) The proper use of forms prescribed by the state board of accounts.

(2) The keeping of the records of the respective offices.

(3) At the conference for county treasurers and treasurers elect, investment training by the following:

(A) The treasurer of state.

(B) The board for depositories.

(C) Any other person the state examiner considers to be competent in providing investment training.

(4) Any other training that, in the judgment of the state examiner, will result in the better conduct of the public business.

(e) The state examiner may hold other conferences for:

(1) the officials described in subsection (b); or

(2) other county, city, or township officers;

whenever in the judgment of the state examiner conferences are necessary.

(f) Whenever a conference is called by the state board of accounts under this section, an elected official, at the direction of the state examiner, may require the attendance of:

(1) each of the elected official's appointed and acting chief deputies or chief assistants; and

(2) if the number of deputies or assistants employed:

(A) does not exceed three (3), one (1) of the elected official's appointed and acting deputies or assistants; or

(B) exceeds three (3), two (2) of the elected official's duly appointed and acting deputies or assistants.

(g) Each official **representing the unit and** attending any conference under this section shall be allowed **the following:**

**(1) A sum for mileage at a rate determined by the fiscal body of the unit the official represents** for each mile necessarily traveled in going to and returning from the conference by the most expeditious route. ~~a sum for mileage at a rate determined by the fiscal body of the unit the official represents.~~ **Regardless of the duration of the conference, only one (1) mileage reimbursement shall be allowed to the official furnishing the conveyance although the official transports more than one (1) person.**

~~(2) Each official shall also be allowed, while attending a conference called under this section,~~ An allowance for lodging for each night preceding conference attendance in an amount equal to the single room rate. However, lodging expense, in the case of

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a one (1) day conference, shall only be allowed for persons who reside fifty (50) miles or farther from the conference location.

**(3) Each official shall be reimbursed; Reimbursement of an official** in an amount determined by the fiscal body of the unit the official represents, for meals purchased while attending a conference called under this section. ~~Regardless of the duration of the conference, only one (1) mileage reimbursement shall be allowed to the official furnishing the conveyance although the official transports more than one (1) person.~~

(h) The state board of accounts shall certify the number of days of attendance and the mileage for each conference to each official attending any conference under this section.

(i) All payments of mileage and lodging shall be made by the proper disbursing officer in the manner provided by law on a duly verified claim or voucher to which shall be attached the certificate of the state board of accounts showing the number of days attended and the number of miles traveled. All payments shall be made from the general fund from any money not otherwise appropriated and without any previous appropriation being made therefor.

**(j) A claim for reimbursement under this section may not be denied by the body responsible for the approval of claims if the claim complies with IC 5-11-10-1.6 and this section.**

SECTION 11. IC 6-1.1-17-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

(1) The fiscal body of a consolidated city and county, not later than the last meeting of the fiscal body in September.

(2) The fiscal body of a ~~second class city~~, **municipality**, not later than September 30.

(3) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in section 5.6(b) of this chapter; or

(B) September 20 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed

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at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

- (1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and
- (3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 12. IC 7.1-3-9-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. ~~Ordinance Sent to Commission.~~ The city clerk, **city clerk-treasurer**, or town ~~clerk~~ **clerk-treasurer** of a city or town in which an ordinance proscribed by ~~IC 1971, 7.1-3-9-6, IC 7.1-3-9-6~~ has been enacted, shall, immediately upon the enactment, certify a copy of the ordinance and mail it by

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1 registered mail to the commission. The commission, out of its  
 2 expenses, shall pay the clerk one dollar (~~(\$1.00)~~, **(\$1)** for ~~his~~ **the clerk's**  
 3 services in the matter.

4 SECTION 13. IC 8-1.5-1-6 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. "Fiscal officer"  
 6 means:

- 7 (1) controller **or clerk-treasurer**, for a second class city;
- 8 (2) clerk-treasurer, for a third class city; or
- 9 (3) clerk-treasurer, for a town.

10 SECTION 14. IC 8-22-3-30 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) All expenses  
 12 incurred by the board that must be paid prior to the collection of taxes  
 13 levied under this chapter shall be met and paid in the following  
 14 manner. The board shall from time to time certify the items of expense  
 15 to the **city** controller, ~~of the city~~, **city clerk-treasurer, town**  
 16 **clerk-treasurer, of the town**, or **county auditor of the county** in which  
 17 the district is located, directing ~~him~~ **the city controller, city**  
 18 **clerk-treasurer, town clerk-treasurer, or county auditor** to pay the  
 19 amounts. ~~and~~ The fiscal officer shall draw ~~his~~ **a** warrant or warrants  
 20 upon the treasurer of the city, town, or county, as applicable, which  
 21 warrant or warrants shall be paid out of the general funds of the city,  
 22 town, or county not already appropriated, without special  
 23 appropriations being made by the fiscal body or approval by any other  
 24 body.

25 (b) In case there are no unappropriated general funds of the city,  
 26 town, or county, the fiscal officer shall recommend to the fiscal body  
 27 the temporary transfer, from other funds of the city, town, or county, of  
 28 a sufficient amount to meet the items of expense or the making of a  
 29 temporary loan for the purpose. The fiscal body affected shall  
 30 immediately make the transfer of funds or authorize the temporary  
 31 loans in the same manner that other transfers and temporary loans are  
 32 made by the city, town, or county. The total amount to be advanced  
 33 may not exceed fifty thousand dollars (\$50,000) and the fund or funds  
 34 of the city, town, county, or other entity from which the advancement  
 35 is made shall be fully reimbursed and repaid by the authority out of the  
 36 first proceeds of the special taxes levied under this chapter. No part of  
 37 the funds advanced may be used in the acquisition of real property.

38 SECTION 15. IC 8-22-3.5-9 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) As used in this  
 40 section, "base assessed value" means:

- 41 (1) the net assessed value of all the tangible property as finally  
 42 determined for the assessment date immediately preceding the

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effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter, **notwithstanding the date of the final action taken under section 6 of this chapter**; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made;

or

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private

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1 entities in the training of employees for the qualified airport  
2 development project.

3 ~~(2) Except as provided in subsection (f), all remaining~~ **The**  
4 **commission may determine that a portion of** tax proceeds shall  
5 be allocated to a debt service fund and dedicated to the payment  
6 of principal and interest on revenue bonds of the airport authority  
7 for a qualified airport development project or to the payment of  
8 leases for a qualified airport development project.

9 **(3) Except as provided in subsection (f), all remaining tax**  
10 **proceeds after allocations are made under subdivisions (1)**  
11 **and (2) shall be allocated to a project fund and dedicated to**  
12 **the reimbursement of expenditures made by the commission**  
13 **for a qualified airport development project that is in the**  
14 **airport development zone or is serving the airport**  
15 **development zone.**

16 (f) Except in a county described in section 1(5) of this chapter, if the  
17 tax proceeds allocated to the ~~debt service project~~ fund in subsection  
18 **(e)(3)** exceed the amount necessary to

19 ~~(1) pay principal and interest on airport authority revenue bonds;~~

20 ~~(2) pay lease rentals on leases of a qualified airport development~~  
21 ~~project; or~~

22 ~~(3) create, maintain, or restore a reserve for airport authority~~  
23 ~~revenue bonds or for lease rentals or leases of a qualified airport~~  
24 ~~development project;~~

25 **satisfy amounts required under subsection (e), the excess in the**  
26 **project fund** over that amount shall be paid to the respective taxing  
27 units in the manner prescribed by subsection (d).

28 (g) Except in a county described in section 1(5) of this chapter,  
29 when money in the debt service fund **and in the project fund** is  
30 sufficient to pay all outstanding principal and interest (to the earliest  
31 date on which the obligations can be redeemed) on revenue bonds  
32 issued by the airport authority for the financing of qualified airport  
33 development projects, ~~and~~ all lease rentals payable on leases of  
34 qualified airport development projects, **and all costs and expenditures**  
35 **associated with all qualified airport development projects,** money  
36 in the debt service fund **and in the project fund** in excess of ~~that~~  
37 ~~amount~~ **those amounts** shall be paid to the respective taxing units in  
38 the manner prescribed by subsection (d).

39 (h) Except in a county described in section 1(5) of this chapter,  
40 property tax proceeds allocable to the debt service fund under  
41 subsection (e)(2) must, subject to subsection (g), be irrevocably  
42 pledged by the eligible entity for the purpose set forth in subsection

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(e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the tangible property as valued without regard to this section; or
- (2) the base assessed value.

SECTION 16. IC 9-22-1-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 27. (a) This section applies to sales of abandoned vehicles or parts by local units.

(b) The proceeds from the sale of abandoned vehicles or parts, including:

- (1) charges for bills of sale; and
- (2) money received from persons who own or hold liens on vehicles for the cost of removal or storage of vehicles;

shall be deposited with the county treasurer, ~~or the city controller, or the city clerk-treasurer of a second class city,~~ and placed by the **county** treasurer, ~~or city controller, or city clerk-treasurer~~ in the unit's abandoned vehicle fund.

(c) The costs incurred by a public agency in administering this chapter shall be paid from the abandoned vehicle fund.

(d) The fiscal body shall annually appropriate sufficient money to the fund to carry out this chapter. Money remaining in the fund at the end of a year remains in the fund and does not revert to the general fund.

(e) Notwithstanding subsection (d), the fiscal body of a consolidated city may transfer money from the fund.

SECTION 17. IC 10-18-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The legislative body of a city may, upon recommendation of the mayor and city controller ~~or city clerk-treasurer,~~ if applicable, by ordinance adopted and approved as provided in section 22 of this chapter, appropriate for the use of the board of public works of the city money of the city for World War memorial and other public purposes.

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(b) Any money and the total of all money appropriated under this chapter may not exceed six-tenths of one percent (0.6%) of the adjusted value of the taxable property of the city as determined under IC 36-1-15.

(c) The board of public works, with the approval of the mayor, may use the funds so appropriated for any of the purposes described in section 2 of this chapter.

SECTION 18. IC 10-18-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A city may appropriate money for use of the board of public works of the city for any of the purposes provided in this chapter, either out of the general funds of the city or from the proceeds of a bond issue for those purposes.

(b) A city may sell bonds for the purpose of raising funds to comply with this chapter.

(c) Except as provided in this chapter, the appropriation of money and the sale of bonds by a city is governed by the law relating to the appropriation of money and the sale of bonds by the city for other city purposes.

(d) The legislative body of a city may, by ordinance adopted and approved as provided in section 22 of this chapter, do any of the following:

(1) Authorize the city controller **or city clerk-treasurer**, if applicable, and the mayor, in the name of the city, to make permanent loans of money for any of the purposes of this chapter of any amount not more than six-tenths of one percent (0.6%) of the adjusted value of taxable property of the city as determined under IC 36-1-15.

(2) Authorize the city controller **or city clerk-treasurer**, if applicable, and mayor of the city to issue bonds for the purpose of funding or refunding loans made by the city under this chapter. Except as provided in this chapter, any loans must be made and governed by the law concerning permanent loans by cities. Any bonds must satisfy all of the following:

(A) The bonds may be issued in any denomination of not more than one thousand dollars (\$1,000) each and in not less than twenty (20) or more than fifty (50) series. Each series must be for the amount as provided by the ordinance.

(B) The bonds must be payable one (1) series each year, beginning on July 1 of the fifth year after the issue of the bonds.

(C) The bonds must be negotiable as inland bills of exchange.

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(D) The bonds must bear interest at the rate of not more than six percent (6%) a year, payable semiannually on July 1 and January 1 of each year.

(3) Authorize the city controller **or the city clerk-treasurer**, if applicable, and mayor, in advertising for the sale of bonds, to ask for competitive bids on the bonds on any series of not less than twenty (20) nor more than fifty (50). The city controller **or the city clerk-treasurer**, if applicable, and mayor may accept the bid that, in their judgment, is the most advantageous bid to the city.

(e) Bonds issued under this chapter are exempt from taxation for all purposes.

(f) A series of bonds issued under this chapter may not be for less than two percent (2%) of the total amount of bonds issued.

(g) The proceeds of bonds sold under this chapter by the city, including any premium on the bonds, must be kept as a separate and specific fund, to be known as the World War memorial fund. Money in the fund may be used only for any of the purposes described in section 2 of this chapter.

(h) The city legislative body may, by ordinance, transfer to the World War memorial bond fund any surplus finally remaining in the World War memorial fund, after all the demands on the city for money in the World War memorial fund have been paid and discharged.

(i) A suit to question the validity of any bond issued under this chapter may not be instituted after the date set for the sale of the bonds. All bonds, beginning on the date set for the sale of the bonds, are incontestable for any cause.

SECTION 19. IC 10-18-4-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) The legislative body of a city may, upon the recommendation of the mayor and city controller **or city clerk-treasurer**, if applicable, of the city, instead of selling bonds as provided in section 5 of this chapter, sell bonds:

- (1) with a maturity of not more than ten (10) years;
- (2) for any of the purposes authorized by this chapter;
- (3) at a rate of interest not more than six percent (6%) a year, payable semiannually; and
- (4) payable at their maturity, but not later than ten (10) years after the date of the issuance of the bonds.

If the bonds are issued for a period longer than five (5) years, at least two percent (2%) of the total issue of the bonds must mature each year after the fifth year, and the balance must mature and be paid or refunded not later than ten (10) years after the date of issuance.

(b) Bonds issued under this section, the taxes to pay the bonds as

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1 they mature, and interest accruing on the bonds must be levied in  
2 accordance with sections 5 and 6 of this chapter.

3 (c) The city's legislative body may refund bonds sold under this  
4 section with other bond issues in accordance with section 5 and other  
5 provisions of this chapter relating to the sale of bonds. The city's  
6 legislative body may name the date when the first series of refunding  
7 bonds is due. However, the due date of the first series due may not be  
8 more than five (5) years from the date of issue.

9 SECTION 20. IC 11-13-1-1 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A court or  
11 division of a court authorized to impose probation shall appoint one (1)  
12 or more probation officers, depending on the needs of the court, except  
13 that two (2) or more divisions within a court, two (2) or more courts  
14 within a county, or two (2) or more courts not in the same county may  
15 jointly appoint and employ one (1) or more probation officers for the  
16 purpose of meeting the requirements of this section.

17 (b) A person may be appointed as a probation officer after the  
18 effective date established by the judicial conference of Indiana only if  
19 that person meets the minimum employment qualifications adopted by  
20 the conference, except that this requirement does not apply to any  
21 person certified as a qualified probation officer before that effective  
22 date. Any uncertified person appointed as a probation officer after the  
23 effective date who fails to successfully complete the written  
24 examination established under section 8 of this chapter within six (6)  
25 months after the date of the person's appointment is prohibited from  
26 exercising the powers of a probation officer as granted by law.

27 (c) Probation officers shall serve at the pleasure of the appointing  
28 court and are directly responsible to and subject to the orders of the  
29 court. The amount and time of payment of salaries of probation officers  
30 shall be fixed by the county, city, or town fiscal body in accordance  
31 with the salary schedule adopted by the county, city, or town fiscal  
32 body under IC 36-2-16.5. The salary of a probation officer shall be paid  
33 out of the county, city, or town treasury by the county auditor, ~~or~~ city  
34 controller, **or city clerk-treasurer**. Probation officers are entitled to  
35 their actual expenses necessarily incurred in the performance of their  
36 duties. Probation officers shall give a bond if the court so directs in a  
37 sum to be fixed by the court.

38 (d) A court, or two (2) or more courts acting jointly, may designate  
39 a probation officer to direct and supervise the work of the probation  
40 department.

41 SECTION 21. IC 32-21-2-3 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. For a conveyance, a

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mortgage, or an instrument of writing to be recorded, it must be:

- (1) acknowledged by the grantor; or
- (2) proved before a:
  - (A) judge;
  - (B) clerk of a court of record;
  - (C) county auditor;
  - (D) county recorder;
  - (E) notary public;
  - (F) mayor of a city in Indiana or any other state;
  - (G) commissioner appointed in a state other than Indiana by the governor of Indiana;
  - (H) minister, charge d'affaires, or consul of the United States in any foreign country;
  - (I) clerk of the city county council for a consolidated city, city clerk **or clerk-treasurer** for a second class city, or clerk-treasurer for a third class city;
  - (J) clerk-treasurer for a town; or
  - (K) person authorized under IC 2-3-4-1.

SECTION 22. IC 32-24-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, "fiscal officer" means:

- (1) the city controller of a consolidated city; ~~or~~
- (2) the city controller or the city clerk-treasurer of a second class city;**
- ~~(2) (3)~~ **(3)** the city clerk-treasurer of a third class city; or
- ~~(3) (4)~~ **(4)** the town clerk-treasurer of a town.

SECTION 23. IC 33-35-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) The officers of a city court are a:

- (1) judge;
- (2) clerk; and
- (3) bailiff.

However, in third class cities **and in second class cities that elect a clerk-treasurer**, the judge may act as clerk and perform all duties of the clerk of the court or appoint a clerk of the court. If the judge does not act as clerk of the court or appoint a clerk of the court, the city clerk-treasurer elected under IC 3-10-6 shall perform the duties of the clerk of the city court.

(b) The clerk is an officer of a town court. The judge of a town court may act as clerk and perform all duties of the clerk of the court or appoint a clerk of the court. If the judge does not act as a clerk of the court or appoint a clerk of the court, the town clerk-treasurer elected

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under IC 3-10-6 or IC 3-10-7 shall perform the duties of the clerk of the town court.

(c) The clerk and bailiff may not receive any fees or compensation other than their salaries.

SECTION 24. IC 33-35-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) In a second class cities, **city that does not elect a clerk-treasurer**, the city clerk is the clerk of the city court.

**(b) In a second class city that is not described in subsection (a) and the city clerk of in a third class city, the clerk-treasurer** is the clerk of the city court if the judge does not serve as clerk or appoint a clerk under section 1 of this chapter.

~~(b)~~ **(c)** A city clerk **or city clerk-treasurer** of a second class city, a city clerk-treasurer of a third class city, or an appointed clerk in a third class city who serves as the clerk of the city court shall give bond as prescribed in this chapter.

~~(c)~~ **(d)** The clerk may administer oaths.

~~(d)~~ **(e)** The clerk of a city or town court shall:

(1) issue all process of the court, affix the seal of the court to the process, and attest to the process;

(2) keep a complete record and docket of all cases showing:

(A) the name of a person who was arrested and brought before the court;

(B) the disposition of the case; and

(C) an account of the:

(i) fees;

(ii) fines;

(iii) penalties;

(iv) forfeitures;

(v) judgments;

(vi) executions;

(vii) decrees; and

(viii) orders;

in as near to the same manner as the records are kept by the clerk of the circuit court; and

(3) collect all:

(A) fees;

(B) fines;

(C) penalties and forfeitures;

(D) judgments;

(E) executions; and

(F) money;

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accruing to the city or town from the enforcement of ordinances.

(~~e~~) (f) At the close of each week, the clerk shall make and deliver to the city controller of a second class city, **clerk-treasurer of a second class city**, clerk-treasurer of a third class city, or clerk-treasurer of a town a written report of all cases in which the clerk has received or collected any fines or forfeitures due the city or town. The clerk shall then pay over the money to the controller or clerk-treasurer and take a receipt for the payment.

(~~f~~) (g) At the end of each month, the clerk shall make out and deliver to the county treasurer of the county in which the city or town is located a written report of all cases in which the clerk has received or collected any fines or forfeitures due the state during the month and pay to the county treasurer all fines or forfeitures collected, taking a receipt for the payment.

(~~g~~) (h) In cities in which the county treasurer rather than the city controller receives city money for deposit, the clerk shall report and deliver the money to the county treasurer.

(~~h~~) (i) The clerk shall deposit all court costs collected by the clerk in accordance with IC 33-37-7-12. The clerk shall distribute the state and county share of court costs collected in accordance with IC 33-37-7-7 or IC 33-37-7-8.

SECTION 25. IC 33-35-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) This section applies after June 30, 2005.

(b) A clerk of a city court in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) shall deposit all court costs collected by the clerk in accordance with IC 33-37-7-12.

(c) The fees received by the controller ~~from the clerk or the city clerk-treasurer~~ shall be paid into the city treasury at the time of the semiannual settlement for city revenue.

(~~c~~) (d) If the party instituting an action or a proceeding recovers judgment, the judgment must also include as costs an amount equal to the small claims costs fee and the small claims service fee prescribed under IC 33-37-4-5 or IC 33-37-4-6.

(~~d~~) (e) Money paid in advance for costs remaining unexpended at the time a civil action or proceeding is terminated, whether by reason of dismissal or otherwise, must be returned to the party or parties making payment. However, this section does not apply to civil actions or proceedings instituted by or on behalf of the state or any of the state's political subdivisions.

SECTION 26. IC 36-1-2-4 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. "Clerk" means:

- (1) clerk of the circuit court, for a county;
- (2) county auditor, for a board of county commissioners or county council;
- (3) clerk of the city-county council, for a consolidated city;
- (4) city clerk **or city clerk-treasurer** for a second class city;
- (5) clerk-treasurer, for a third class city; or
- (6) clerk-treasurer, for a town.

SECTION 27. IC 36-1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. "Fiscal officer" means:

- (1) auditor, for a county;
- (2) controller, for a consolidated city; ~~or~~
- (3) controller or clerk-treasurer for a second class city;**
- ~~(3)~~ **(4)** clerk-treasurer, for a third class city;
- ~~(4)~~ **(5)** clerk-treasurer, for a town; or
- ~~(5)~~ **(6)** trustee, for a township.

SECTION 28. IC 36-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 13. **(a) Except as provided in subsection (b),** the compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

- (1) the application of the county fiscal body or the affected officer, department, commission, or agency; and
- (2) a majority vote of the county fiscal body.

**(b) In the year in which a newly elected county officer takes office, the county fiscal body may at any time change the compensation for holding the county office for that year if:**

- (1) the county officer requests the compensation change or, in the case of the county executive body, a majority of the county executive body requests the change; and**
- (2) the county fiscal body votes to approve the change.**

SECTION 29. IC 36-4-1-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1.1. (a) Except as provided in subsection (b), a third class city remains a third class city even though the city attains a population of at least thirty-five thousand (35,000) at a federal decennial census.

(b) The legislative body of a city to which subsection (a) applies may, by ordinance, adopt second class city status.

**(c) After June 30, 2005, a third class city may, in the ordinance adopting second class status, choose to elect a city clerk-treasurer**

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1 of the second class city. A city that adopts an ordinance to elect a  
 2 city clerk-treasurer of the second class city under this subsection  
 3 may not elect or appoint the following:

4 (1) A city clerk.

5 (2) A city controller.

6 SECTION 30. IC 36-4-6-7 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The legislative  
 8 body shall hold its first regular meeting in its chamber at 7:30 p.m. on  
 9 the first Monday in January after its election. In subsequent months, the  
 10 legislative body shall hold regular meetings at least once a month,  
 11 unless its rules require more frequent meetings.

12 (b) A special meeting of the legislative body shall be held when  
 13 called by the city executive or when called under the rules of the  
 14 legislative body.

15 SECTION 31. IC 36-4-6-8 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) This subsection  
 17 applies only to second class cities. At its first regular meeting under  
 18 section 7 of this chapter, and on the first Monday of each succeeding  
 19 January, the legislative body shall choose from its members a president  
 20 and a vice president.

21 (b) This subsection applies only to third class cities. The city  
 22 executive shall preside at all meetings of the legislative body, but may  
 23 vote only in order to break a tie. At its first regular meeting under  
 24 section 7 of this chapter, and on the first Monday of each succeeding  
 25 January, the legislative body shall choose from its members a president  
 26 pro tempore to preside whenever the executive is absent.

27 SECTION 32. IC 36-4-6-20 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 20. (a) The legislative  
 29 body may, by ordinance, make loans of money for not more than five  
 30 (5) ten (10) years and issue notes for the purpose of refunding those  
 31 loans. The loans may be made only for the purpose of procuring money  
 32 to be used in the exercise of the powers of the city, and the total amount  
 33 of outstanding loans under this subsection may not exceed five percent  
 34 (5%) of the city's total tax levy in the current year (excluding amounts  
 35 levied to pay debt service and lease rentals). Loans under this  
 36 subsection shall be made in the same manner as loans made under  
 37 section 19 of this chapter, except that:

38 (1) the ordinance authorizing the loans must pledge to their  
 39 payment a sufficient amount of tax revenues over the ensuing five  
 40 (5) ten (10) years to provide for refunding the loans; and

41 (2) the loans must be evidenced by notes of the city in terms  
 42 designating the nature of the consideration, the time and place

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payable, and the revenues out of which they will be payable.  
Notes issued under this subsection are not bonded indebtedness for purposes of IC 6-1.1-18.5.

(b) The legislative body may, by ordinance, make loans and issue notes for the purpose of refunding those loans in anticipation of revenues of the city that are anticipated to be levied and collected during the term of the loans. The term of a loan made under this subsection may not be more than ~~five (5)~~ **ten (10)** years. Loans under this subsection shall be made in the same manner as loans made under section 19 of this chapter, except that:

(1) the ordinance authorizing the loans must appropriate and pledge to their payment a sufficient amount of the revenues in anticipation of which they are issued and out of which they are payable; and

(2) the loans must be evidenced by time warrants of the city in terms designating the nature of the consideration, the time and place payable, and the revenues in anticipation of which they are issued and out of which they are payable.

(c) An action to contest the validity of a loan made under this section must be brought within fifteen (15) days from the day on which the ordinance is adopted.

SECTION 33. IC 36-4-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) This section does not apply to compensation paid by a city to members of its police and fire departments.

(b) Subject to the approval of the city legislative body, the city executive shall fix the compensation of each appointive officer, deputy, and other employee of the city. The legislative body may reduce but may not increase any compensation fixed by the executive. Compensation must be fixed under this section ~~before~~

~~(1) September 20 for a third class city; and~~

~~(2) September 30 for a second class city;~~

**not later than September 30** of each year for the ensuing budget year.

(c) Compensation fixed under this section may not be increased during the budget year for which it is fixed, but may be reduced by the executive.

(d) Notwithstanding subsection (b), the city clerk may, with the approval of the legislative body, fix the salaries of deputies and employees appointed under IC 36-4-11-4.

SECTION 34. IC 36-4-7-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. If the city legislative body does not pass the ~~ordinances~~ **ordinance** required by

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section 7 of this chapter ~~on or before~~

~~(1) September 20 for a third class city; and~~

~~(2) September 30 for a second class city;~~

**before October 1** of each year, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 35. IC 36-4-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) This section applies only to second class cities.

(b) The city executive shall appoint:

(1) a city controller, **if the city does not elect a city clerk-treasurer;**

(2) a city civil engineer;

(3) a corporation counsel;

(4) a chief of the fire department;

(5) a chief of the police department; and

(6) other officers, employees, boards, and commissions required by statute.

(c) The board of public works and safety may be composed of three (3) members or five (5) members appointed by the executive. A member may hold other appointive positions in city government during the member's tenure. IC 36-4-11-2 applies to board member appointments under this section. The executive shall appoint a clerk for the board.

(d) If the board of public works and board of public safety are established as separate boards, each board may be composed of three (3) members or five (5) members who are appointed by the executive. A member may hold other appointive positions in city government during the member's tenure. The executive shall appoint a clerk for each board.

SECTION 36. IC 36-4-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A city clerk shall be elected under IC 3-10-6 by the voters of each second class city ~~and~~ **if the city does not elect a city clerk-treasurer.** A city clerk-treasurer shall be elected under IC 3-10-6 by the voters of each:

**(1) second class city that establishes the office of city clerk-treasurer under IC 36-4-1-1.1; and**

**(2) third class city.**

(b) The city clerk or clerk-treasurer is the clerk of each city.

(c) The city controller appointed under IC 36-4-9-6 is the fiscal officer of each second class city ~~and that does not elect a city clerk-treasurer.~~ The city clerk-treasurer is the fiscal officer of each:

**(1) second class city that establishes the office of**

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1 **clerk-treasurer under IC 36-4-1-1.1; and**

2 **(2) third class city.**

3 (d) The city controller of a second class city is not liable, in an  
4 individual capacity, for any act or omission occurring in connection  
5 with the performance of the city controller's duty as fiscal officer of the  
6 second class city, unless the act or omission constitutes gross  
7 negligence or an intentional disregard of the controller's duty.

8 (e) The term of office of a city clerk or clerk-treasurer is four (4)  
9 years, beginning at noon on January 1 after election and continuing  
10 until a successor is elected and qualified.

11 SECTION 37. IC 36-4-10-4.5 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) This section  
13 applies to:

14 **(1) third class cities; and**

15 **(2) second class cities that elect a city clerk-treasurer.**

16 (b) The fiscal officer is the head of the city department of finance.  
17 The fiscal officer shall do the following:

18 (1) Receive and care for all city money and pay the money out  
19 only on order of the approving body.

20 (2) Keep accounts showing when and from what sources the fiscal  
21 officer has received city money and when and to whom the fiscal  
22 officer has paid out city money.

23 (3) Prescribe payroll and account forms for all city offices.

24 (4) Prescribe the manner in which creditors, officers, and  
25 employees shall be paid.

26 (5) Manage the finances and accounts of the city and make  
27 investments of city money.

28 (6) Prepare for the legislative body the budget estimates of  
29 miscellaneous revenue financial statements and the proposed tax  
30 rate.

31 (7) Issue all licenses authorized by statute and collect the fees  
32 fixed by ordinance.

33 (8) Serve as clerk of the board of public works by attending  
34 meetings, preparing agendas, and recording proceedings.

35 (9) Perform all other duties prescribed by statute.

36 (c) A fiscal officer is not liable in an individual capacity for an act  
37 or omission occurring in connection with the performance of the duties  
38 prescribed by subsection (b), unless the act or omission constitutes  
39 gross negligence or an intentional disregard of the fiscal officer's  
40 duties.

41 SECTION 38. IC 36-4-10-5 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) This section

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1 applies to ~~second class cities~~; **a second class city that has a city**  
 2 **controller.**

3 (b) The fiscal officer is the head of the city department of finance.  
 4 The fiscal officer shall do the following:

5 (1) Prescribe the form of reports and accounts to be submitted to  
 6 the department.

7 (2) Sign and issue all warrants on the city treasury.

8 (3) Audit and revise all accounts and trusts in which the city is  
 9 concerned.

10 (4) Keep separate accounts for each item of appropriation made  
 11 for each city department, including a statement showing the  
 12 amount drawn on each appropriation, the unpaid contracts  
 13 charged against it, and the balance remaining.

14 (5) At the end of each fiscal year, submit under oath to the city  
 15 legislative body a report of the accounts of the city published in  
 16 pamphlet form and showing revenues, receipts, expenditures, and  
 17 the sources of revenues.

18 (6) Maintain custody of the records of the department and turn  
 19 them over to the fiscal officer's successor in office.

20 (7) Perform duties prescribed by statute concerning the  
 21 negotiation of city bonds, notes, and warrants.

22 (8) Keep a register of bonds of the city and of transfers of those  
 23 bonds.

24 (9) Manage the finances and accounts of the city and make  
 25 investments of city money, subject to the ordinances of the  
 26 legislative body.

27 (10) Issue city licenses on payment of the license fee.

28 (11) Collect fees as fixed by ordinance.

29 (12) Pay into the city treasury, once each week, all fees and other  
 30 city money collected by the department during the preceding  
 31 week, specifying the source of each item.

32 (13) Prescribe payroll and account forms for all city offices.

33 (14) Prescribe the manner in which salaries shall be drawn.

34 (15) Prescribe the manner in which creditors, officers, and  
 35 employees shall be paid.

36 (16) Provide that all salaries are payable monthly, unless the  
 37 legislative body establishes more frequent payments.

38 (17) Notify the city executive of the failure of any city officer to  
 39 collect money due the city or to pay city money into the city  
 40 treasury.

41 (18) Draw warrants on the city treasury for miscellaneous city  
 42 expenditures not made under the direction of a department and

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not specifically fixed by statute.

SECTION 39. IC 36-4-10-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) This section applies to third class cities **and to second class cities that elect a city clerk-treasurer.**

(b) The clerk shall appoint the number of deputies and employees needed for the effective operation of the office, with the approval of the city legislative body. The clerk's deputies and employees serve at the clerk's pleasure.

(c) If a city owns a utility and the clerk is directly responsible for the billing and collection of that utility's rates and charges, the clerk shall appoint those employees who are also responsible for that billing and collection. These employees serve at the clerk's pleasure.

(d) Whenever the city court judge does not serve as clerk of the city court or appoint a clerk to serve as clerk of the city court under IC 33-35-3-1, the clerk shall serve as clerk of the city court.

SECTION 40. IC 36-5-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) The legislative body may issue bonds for the purpose of procuring money to be used in the exercise of the powers of the town and for the payment of town debts. However, a town may not issue bonds to procure money to pay current expenses.

(b) Bonds issued under this section are payable in the amounts and at the times determined by the legislative body.

(c) Bonds issued under this section are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds and giving notice of the petition, the giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the department of local government finance, the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds at public sale for not less than their par value.

(d) The legislative body may, by ordinance, make loans of money for not more than ~~five (5)~~ **ten (10)** years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the town, and the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the town's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made as follows:

(1) The ordinance authorizing the loans must pledge to their

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1 payment a sufficient amount of tax revenues over the ensuing ~~five~~  
 2 ~~(5)~~ **ten (10)** years to provide for refunding the loans.

3 (2) The loans must be evidenced by notes of the town in terms  
 4 designating the nature of the consideration, the time and place  
 5 payable, and the revenues out of which they will be payable.

6 (3) The interest accruing on the notes to the date of maturity may  
 7 be added to and included in their face value or be made payable  
 8 periodically, as provided in the ordinance.

9 Notes issued under this subsection are not bonded indebtedness for  
 10 purposes of IC 6-1.1-18.5.

11 SECTION 41. IC 36-5-2-12 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) The legislative  
 13 body may, by ordinance, make loans and issue notes for the purpose of  
 14 refunding those loans in anticipation of revenues of the town that are  
 15 anticipated to be levied and collected during the term of the loans. The  
 16 term of a loan made under this subsection may not be more than ~~five~~  
 17 ~~(5)~~ **ten (10)** years. Loans under this section shall be made in the same  
 18 manner as loans made under section 11(b) and 11(c) of this chapter,  
 19 except that:

20 (1) the ordinance authorizing the loans must appropriate and  
 21 pledge to the payment of the loans a sufficient amount of the  
 22 revenues in anticipation of which the loans are issued and out of  
 23 which the loans are payable; and

24 (2) the loans must be evidenced by time warrants of the town in  
 25 terms designating the nature of the consideration, the time and  
 26 place payable, and the revenues in anticipation of which the loans  
 27 are issued and out of which the loans are payable.

28 (b) An action to contest the validity of a loan made under this  
 29 section must be brought within fifteen (15) days from the day on which  
 30 the ordinance is adopted.

31 SECTION 42. IC 36-8-3-3 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A majority of the  
 33 members of the safety board constitutes a quorum. The board shall  
 34 adopt rules concerning the time of holding regular and special meetings  
 35 and of giving notice of them. The board shall elect one (1) of its  
 36 members chairman, who holds the position as long as prescribed by the  
 37 rules of the board. The board shall record all of its proceedings.

38 (b) The members of the safety board may act only as a board. No  
 39 member may bind the board or the city except by resolution entered in  
 40 the records of the board authorizing ~~him~~ **the member** to act in its  
 41 behalf as its authorized agent.

42 (c) The safety board shall appoint:

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- (1) the members and other employees of the police department other than those in an upper level policymaking position;
- (2) the members and other employees of the fire department other than those in an upper level policymaking position;
- (3) a market master; and
- (4) other officials that are necessary for public safety purposes.

(d) The annual compensation of all members of the police and fire departments and other appointees shall be fixed by ordinance of the legislative body ~~before~~

~~(1) September 20 for a second class city; and~~

~~(2) September 20 for a third class city;~~

**not later than September 30** of each year for the ensuing budget year. The ordinance may grade the members of the departments and regulate their pay by rank as well as by length of service. If the legislative body fails to adopt an ordinance fixing the compensation of members of the police or fire department, the safety board may fix their compensation, subject to change by ordinance.

(e) The safety board, subject to ordinance, may also fix the number of members of the police and fire departments and the number of appointees for other purposes and may, subject to law, adopt rules for the appointment of members of the departments and for their government.

(f) The safety board shall divide the city into police precincts and fire districts.

(g) The police chief has exclusive control of the police department, and the fire chief has exclusive control of the fire department, subject to the rules and orders of the safety board. In time of emergency, the police chief and the fire chief are, for the time being, subordinate to the city executive and shall obey ~~his~~ **the city executive's** orders and directions, notwithstanding any law or rule to the contrary.

**SECTION 43. An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1218, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, line 5, after "IC 20-10.1-25-3." insert **"This subsection does not prohibit a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation."**

Page 7, line 19, delete "The fiscal body of a unit shall approve the following".

Page 7, line 20, delete "expenditures for each" and insert "Each".

Page 7, line 21, after "section" delete ":".

Page 7, line 21, reset in roman "shall be allowed,".

Page 7, line 21, after "allowed" delete "," and insert **"the following:"**.

Page 8, delete lines 12 through 42, begin a new paragraph and insert:

**"(j) A claim for reimbursement under this section may not be denied by the body responsible for the approval of claims if the claim complies with IC 5-11-10-1.6 and this section."**

Page 9, delete lines 1 through 5.

Page 9, line 8, after "rate" insert ",".

Page 9, line 8, delete "(if".

Page 9, line 9, delete "the political subdivision is required by law to fix the tax rate),".

Page 9, line 28, after "rate" insert ",".

Page 9, line 28, delete "(if the political subdivision".

Page 9, line 29, delete "is required by law to fix the tax rate),".

Page 10, line 5, delete "(if the political subdivision is".

Page 10, line 6, delete "required by law to fix the tax rate)".

Page 10, line 19, after "rate" inset ",".

Page 10, line 19, delete "(if the fiscal".

Page 10, line 20, delete "body is required by law to fix a tax rate),".

Page 10, delete lines 24 through 42.

Delete pages 11 through 12.

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Page 13, delete lines 1 through 15.

Page 13, delete lines 31 through 42.

Delete page 14.

Page 15, delete lines 1 through 2.

Page 15, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 15. IC 8-22-3.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) As used in this section, "base assessed value" means:

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter, **notwithstanding the date of the final action taken under section 6 of this chapter**; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made;

or

(2) the base assessed value;

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shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) ~~Except as provided in subsection (f), all remaining~~ **The commission may determine that a portion of** tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project or to the payment of leases for a qualified airport development project.

**(3) Except as provided in subsection (f), all remaining tax proceeds after allocations are made under subdivisions (1) and (2) shall be allocated to a project fund and dedicated to the reimbursement of expenditures made by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.**

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the ~~debt service project~~ **project** fund in subsection (e)(3) exceed the amount necessary to

~~(1) pay principal and interest on airport authority revenue bonds;~~

~~(2) pay lease rentals on leases of a qualified airport development project; or~~

~~(3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or leases of a qualified airport development project;~~

**satisfy amounts required under subsection (e), the excess in the project fund** over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund **and in the project fund** is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport

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development projects, ~~and~~ all lease rentals payable on leases of qualified airport development projects, **and all costs and expenditures associated with all qualified airport development projects**, money in the debt service fund **and in the project fund** in excess of ~~that amount~~ **those amounts** shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the tangible property as valued without regard to this section; or
- (2) the base assessed value."

Page 22, between lines 32 and 33, begin a new paragraph and insert:  
**"SECTION 28. IC 36-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:**  
 Sec. 13. **(a) Except as provided in subsection (b),** the compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

- (1) the application of the county fiscal body or the affected officer, department, commission, or agency; and
- (2) a majority vote of the county fiscal body.

**(b) In the year in which a newly elected county officer takes office, the county fiscal body may at any time change the compensation for holding the county office for that year if:**

- (1) the county officer requests the compensation change or, in the case of the county executive body, a majority of the county executive body requests the change; and**
- (2) the county fiscal body votes to approve the change."**

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Page 24, delete lines 21 through 32.  
 Page 25, delete lines 9 through 24.  
 Page 25, delete lines 33 through 42.  
 Page 26, delete lines 1 through 24.  
 Page 28, line 6, after "revenue" delete "and".  
 Page 28, line 6, after "statements" delete ".".  
 Page 28, line 6, reset in roman "and the proposed".  
 Page 28, reset in roman line 7.  
 Page 31, delete lines 8 through 42.  
 Delete pages 32 through 33.  
 Page 34, delete lines 1 through 6.  
 Page 35, after line 6, begin a new paragraph and insert:  
 "SECTION 41. **An emergency is declared for this act.**".  
 Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1218 as introduced.)

SAUNDERS, Chair

Committee Vote: yeas 10, nays 0.

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